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1955

ANNUAL

REPORT

GENERAL

SHOE

CORPORATION

THE WORLD of Fashion AND GENERAL SHOE

In the world today, FASHION is one of the greatest motivating forces in progressive industry.

Electronics have changed our entire means of communication. The spoken word can circle the globe in less than a second . . . people can travel around the world in a matter of hours. Great distances exist only in terms of time. Thus, a color seen in India becomes fashion in New York almost over-night . . . a fabric pattern developed in Japan takes shape in Nashville . . . a shoe silhouette spotted in Rome is next seen on the streets of Boston and San Francisco.

General Shoe stylists and designers are constantly bringing back fashion inspiration from all over the world—to New York, the recognized shoe fashion center of the world—to provide fresh new ideas that help make General Shoe brands the fashion leaders of the industry.

The world in general...
is now
the world of **GENERAL SHOE**

Our 1955 cover illustrates some of the sources of current world fashion inspiration for the shoe industry— India, Japan, Burma, France and Italy

Annual Report for the 31st Year of GENERAL SHOE CORPORATION

Nashville, Tennessee, U.S.A.

This is another report
to our Share-owners,
to our Employees, Customers,
Suppliers and all who may
have an interest in our
progress.

In the interest of all of these,
we have tried in 1955—
and shall try still harder in 1956—
to be A COMPANY YOU CAN COUNT ON—

GENERAL SHOE

1955 TOLD IN BRIEF...

	YEAR ENDED OCTOBER 31 1955	1954
Total Volume of Business	$201,300,993	$177,460,810
Net Sales Less Inter-Branch Business	167,863,881	150,074,016
Operating Income	10,038,135	9,112,052
Taxes	4,776,000	4,332,000
Net Earnings	5,262,135	4,780,052
Earnings Per Share	4.62	4.22
Percent of Net Earnings to Net Sales	3.13	3.19
Dividends Per Share of Common Stock	2.50	2.50
Net Worth	43,097,524	41,049,121

MAXEY JARMAN
Chairman of General Shoe Corporation

HENRY W. BOYD, JR.
President

GENERAL SHOE ANNUAL REPORT

For our business year ended October 31, 1955, our net sales were $167,863,881. This represents the largest year in the history of our Company and is an increase of approximately 12% over last year.

Operating income of the Company before taxes amounted to $10,038,135, also the largest the Company has ever had. Earnings per share amounted to $4.62, compared with $4.22 last year on the outstanding common stock. We consider this rate of earnings to be on the low side, and feel that it should be increased.

DIVIDENDS

During the year we paid out our 93rd consecutive quarterly dividend on common stock. The rate this year was $2.50 per share, as it has been for the last nine consecutive years. During this period, dividends on the common stock have averaged approximately 60% of the earnings. Dividends on the preferred issues have been paid in accordance with the terms of the issue.

FINANCING

At the end of last year we had $12,600,000 of promissory notes outstanding in two separate issues. These were consolidated, and the total amount increased to $20,000,000 to provide additional working capital for the increased volume of business. The total stockholders' equity at the end of this business year is $43,097,524. Cash exceeded total current liabilities, and net working capital amounted to $51,849,003.

NEW DEVELOPMENTS

A new line of ladies' shoes—Mannequins—was inaugurated during the past year and has been received very successfully. These shoes retail at $10.95 and $12.95, and are already being sold in some of the most famous stores throughout the United States.

A new low priced women's shoe manufacturing plant has just been completed at Iuka, Mississippi, and a medium priced women's shoe manufacturing plant has been set up at Lawrence, Massachusetts.

We have acquired an additional children's shoe manufacturing plant at Lake Mills, Wisconsin.

Arrangements have been made for a new women's shoe manufacturing plant at Frankfort, Kentucky, replacing an old operation that we have in that city.

Arrangements are being concluded to set up a new and expanded warehouse arrangement in St. Louis for our Berland Shoe Company operation.

ORGANIZATION

Our Company now has through its various divisions a very thorough and diversified plan of distribution for our numerous types of shoes. Each one of our operating companies is set up on a decentralized basis so as to obtain the advantages of individual initiative in management and at the same time to have the strength in resources available for a large company operation with its staff services and financial standing.

As stated in our report last year, in a highly competitive industry such as the shoe industry, and with a product in which fashion is such an important factor, we feel that it is essential to give the greatest degree of responsibility to each of the individuals in each of the operating companies.

Our Company is putting great emphasis on fashion footwear in all phases of its operation, believing this to be a prime selling tool. Along with this, we believe that service to the retailer and to the ultimate consumer must be given very special consideration. We expect each of our units to grow, believing that growth is evidence of a healthy operation. Great emphasis is being placed on the development of people.

ANTI-TRUST SUIT

In March of this year the Federal Government filed an anti-trust suit against our Company under the Clayton Act, Section 7. This Act has not been fully tested in the courts, and it is the feeling of some that the government is seeking to have the courts establish interpretations of the law.

Our Company produces less than 5% of the total number of shoes made in the United States. Of the shoes that we buy from other manufacturers to sell in retail stores that we own, plus the shoes that we make, we will sell about 5 ¼% of the total number of shoes. The largest company in the shoe industry produces approximately 10% of the total production —more than twice as many as we make. There are over 1000 shoe manufacturers in the United States. There is no evidence of any concentration in the industry, and the four largest companies combined produce less than 25% of the total number of shoes. This percentage of the four large companies combined is somewhat less than it was fifteen years ago.

Our Company has followed a program of planned diversification in the shoe industry. To provide the proper service to our various types of customers, we believe it is important to have lines in all categories and price grades. To this end we have started many new lines of shoes ourselves, and have acquired certain other companies that were available. In every case we were approached by these other companies who, for one reason or another, felt it was necessary for them to dispose of their interest.

The case is now scheduled for hearing in the Federal Court, Nashville District, in April 1956. Our attorneys feel that we are in a very strong position, but believe that the litigation will require much time. In the meantime we are continuing to expand and develop our business along lines we believe to be sound and profitable.

DEVELOPMENT OF PEOPLE

You will notice throughout this report considerable emphasis on the importance of people. We list the heads of our various operating companies in the back of this report and show the pictures of many of our distribution and retailing division heads. The selection and development of competent people we consider to be one of the most important matters

$201,300,993 of Business . . . HOW EXPENDED

Total volume of business	$201,300,993	
Less value of products made in one division for use in another division	33,437,112	
Value of products sold to customers	$167,863,881	100.0
This amount was used as follows:		
Cost of leather, other materials, products and services from outside suppliers	98,456,832	58.7
Wages of employees	52,884,406	31.5
Discounts and allowances to customers	1,755,094	1.1
Wear allowance on machinery, equipment and buildings	1,389,889	.8
Taxes paid	7,285,265	4.3
Interest paid on borrowed money	830,260	.5
Expense of capital used—dividends	2,985,111	1.8
Additional equipment purchased	530,779	.3
Balance to pay off debt and for growth	1,746,245	1.0
	$167,863,881	100.0
Amount of earnings as a per cent of total volume	2.61%	
Amount earned per share of common stock	$4.62	

that we have at any time, and we give a great deal of attention to it.

We have also placed much emphasis on our whole industrial relations program and feel that we have been quite progressive in this respect. For example, we have had a guaranteed employment program covering a fixed percentage of our people for a number of years. We feel this guaranteed employment program to be superior to those that received such wide publicity during the past year in other industries. We have certain plants that operate with union labor, but by far the largest percentage of our employees is non-union.

Great efforts have been made by the unions to organize all of our plants, and employees in many cases have turned down the union more than once in NLRB-conducted elections.

Regardless of whether we do or do not have unions in our plants, we try to get the best people that we can and give them the greatest possible opportunity to do a good job, to go ahead, and to earn the greatest amount of money. We believe it is important in our business to have good people, to see that they are treated fairly and properly, and given the best opportunities. We like to see our people earn good money by doing good work. We are very proud of the fine employees with whom we are associated in the development of our Company.

As a part of our development program, we have had several stock purchase programs in which we have helped many employees finance the purchase of our stock on the open market. Under new regulations of the Securities and Exchange Commission, it has become necessary to register such plans, and we are proceeding in that direction.

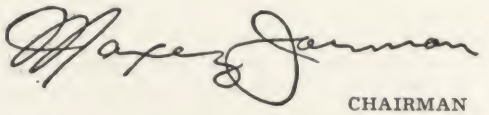
GENERAL INDUSTRY CONDITIONS

The year 1955 will be the largest year in the history of the shoe industry as a whole. Approximately 580,000,000 pairs of shoes will be produced. It is expected that the industry will make at least 600,000,000 pairs of shoes in 1956, which will be another record. Our Company certainly expects to participate in this further growth of the industry, and with our splendid organization and the good business development plans of our various divisions, we feel that 1956 holds excellent opportunities for more progress.

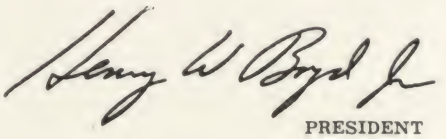
Our machinery development program has come along, and with the new conditions under which we operate with United Shoe Machinery Corporation we expect to benefit from economies in this direction. We are enlarging our research program, and already are beginning to feel the effects of this. The production of chemicals and adhesives used in the shoe manufacturing business has been a very profitable operation for us, and we expect to see a continued increase. Our Company participates in more foreign licensee arrangements than any other American shoe manufacturer, and we have a growing income from fees received from shoe manufacturers in various countries of the world for engineering and styling services.

Increases in the price of shoes are being made up to 5%. We feel this should cover the increased labor and material costs, part of which have already gone into effect, and other parts of which will come into effect in the near future. We have had considerable development expense in some of our newer divisions and acquisitions, an investment that is beginning to pay off with worthwhile results.

We are looking forward to another good year in 1956.



CHAIRMAN



PRESIDENT

November 26, 1955

GENERAL SHOE CORPORATION
and consolidated subsidiaries

CONSOLIDATED BALANCE SHEET — AS OF OCTOBER 31

ASSETS	1955	1954
Current Assets:		
Cash	$ 8,786,457	$ 9,226,040
Accounts receivable, less allowance for doubtful accounts and discounts	17,060,468	13,769,607
Inventories at lower of approximate average cost or market:		
Finished shoes and other merchandise	26,180,476	21,824,277
Raw materials and work in process	8,112,532	6,490,357
Total current assets	60,139,933	51,310,281
Investments at cost, less allowance for foreign exchange variations	538,750	385,410
Officers' and employees' stock purchase accounts, secured	1,795,349	752,117
Plant, equipment, and leasehold improvements, at cost	14,904,630	14,998,920
Less accumulated depreciation and amortization	6,296,797	6,383,219
Net Properties	8,607,833	8,615,701
Goodwill, patents, and trade marks	1	1
Debt discount and expense, less amortization	306,588	95,383
	$ 71,388,454	$ 61,158,893
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses, including for 1954 current installments on promissory notes, $500,000	$ 3,415,930	$ 3,306,772
Federal and state taxes on income, estimated	4,875,000	4,703,000
Total current liabilities	8,290,930	8,009,772
Long-term debt:		
Twenty-five year 3.3% debentures, due March 1, 1980, with annual sinking fund requirements of $375,000 beginning September 1, 1960	10,000,000	———
3.25% promissory notes, payable from July 1, 1962 to January 1, 1980 in annual installments of $556,000	10,000,000	———
2.9% promissory notes	———	9,100,000
3⅝% promissory note	———	3,000,000
Total long-term debt	20,000,000	12,100,000
Stockholders' equity, restricted except as to $8,048,403 in 1955 and $20,607,807 in 1954:		
Cumulative preference stock without par value. Authorized 172,000 shares issuable in four series:		
Series A, $3.50 dividend; stated value $100 per share; authorized 41,996 shares; issued and outstanding 38,595 shares in 1955 and 40,352 shares in 1954	3,859,500	4,035,200
Series B, $5.00 dividend; stated value $100 per share; authorized 19,465 shares; issued and outstanding 16,521 shares	1,652,100	1,652,100
Series C, $4.50 dividend; stated value $100 per share; authorized 30,539 shares; issued and outstanding 16,847 shares in 1955 and 17,597 shares in 1954	1,684,700	1,759,700
Series D, terms to be fixed when issued	———	———
Common stock of $1 par value per share. Authorized 2,000,000 shares; outstanding (less 671 and 768 shares in treasury) 1,074,329 shares in 1955 and 1,074,232 shares in 1954	1,074,329	1,074,232
Additional paid-in capital	10,554,752	10,532,770
Earnings retained in business	24,272,143	21,995,119
Total stockholders' equity	43,097,524	41,049,121
	$ 71,388,454	$ 61,158,893

STATEMENT OF CONSOLIDATED EARNINGS — YEARS ENDED OCTOBER 31

	1955	1954
Net Sales	$ 167,863,881	$ 150,074,016
Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $2,764,615 in 1955 and $2,715,266 in 1954)	156,950,753	140,570,970
Contribution to employees retirement fund	250,000	200,000
Interest on long-term debt	567,617	397,114
Other charges (income), net	57,376	(206,120)
Federal and state taxes on income, estimated	4,776,000	4,332,000
	162,601,746	145,293,964
Net earnings for year	$ 5,262,135	$ 4,780,052
Statement of Consolidated Earnings Retained in Business		
Balance at beginning of year (reflecting the merger of I. Miller & Sons, Inc., and The Berland Shoe Stores, Inc., as of October 31, 1953)	$ 21,995,119	$ 20,074,774
Net earnings for year	5,262,135	4,780,052
	27,257,254	24,854,826
Dividends:		
Preference stock	299,351	283,709
Common stock	2,685,760	2,575,998
	2,985,111	2,859,707
Balance at end of year	$ 24,272,143	$ 21,995,119
Statement of Consolidated Additional Paid-In Capital		
Balance at beginning of year (reflecting the merger of I. Miller & Sons, Inc., and The Berland Shoe Stores, Inc., as of October 31, 1953)	$ 10,532,770	9,153,786
Net amount realized in excess of par or stated value through issuance and acquisition of capital shares	21,982	1,378,984
Balance at end of year	$ 10,554,752	$ 10,532,770

Accountants' Report

THE BOARD OF DIRECTORS
GENERAL SHOE CORPORATION

We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1955, and the related statements of earnings, earnings retained in business, and additional paid-in capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The companies operate at various locations under long-term leases, the major portion of which expire successively to 1965. Minimum annual rentals on leases expiring after October 31, 1960, aggregate $3,693,805.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business, and additional paid-in capital, with the foregoing explanation, present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1955, and the results of their operations for the year then ended, including operations since date of acquisition of subsidiaries acquired during the year, in conformity with generally accepted accounting principles applied on a basis consistent in all material respects with that of the preceding year.

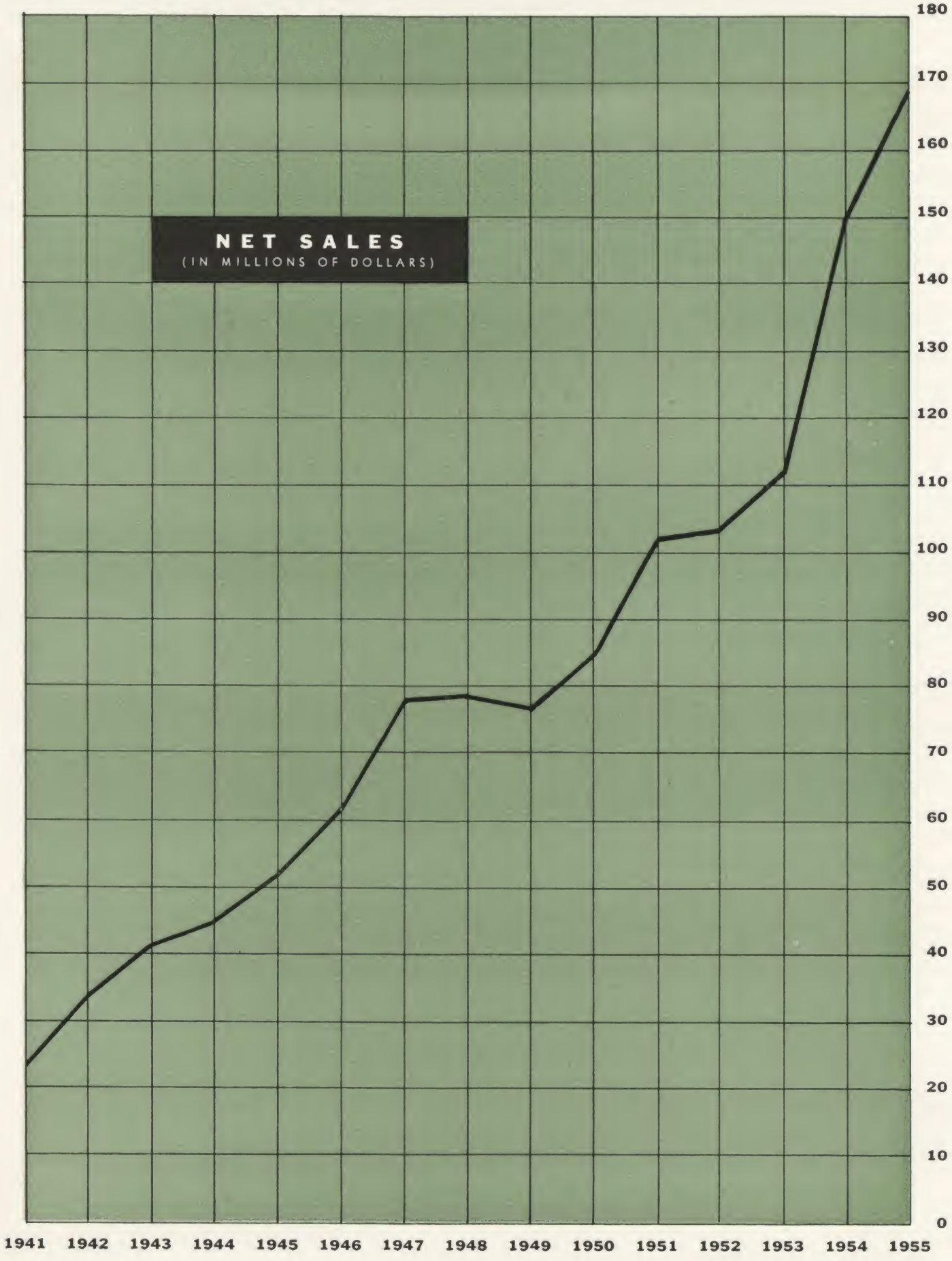
Peat, Marwick, Mitchell & Co.

Nashville, Tennessee
November 23, 1955

15-YEAR COMMON STOCK RECORD

	Earnings Per Share for Year	Year's Dividend	Book Value Per Share	Paid to Stockholders	Year's Price Range	Number Stockholders
1941	$1.63	$0.90	$11.49	$ 564,176	$11½-8⅛	2,768
1942	1.57	1.00	12.05	627,054	10-8¼	2,857
1943	1.90	1.00	12.95	627,393	15⅛-9⅞	3,207
1944	1.54	1.00	13.46	627,391	19¾-14⅝	3,254
1945	1.71	1.00	14.16	627,391	31-19	3,364
1946	3.76	1.60	18.74	1,088,496	47-29	3,696
1947	3.34	2.50	19.62	1,762,059	36⅞-26	3,982
1948	3.45	2.50	20.61	1,762,611	31½-25	4,201
1949	3.14	2.50	21.27	1,763,393	30¼-24	4,380
1950	5.04	2.50	24.79	1,777,801	39⅝-30⅛	5,693
1951	4.50	2.50	27.11	1,863,517	39¼-34	5,837
1952	4.11	2.50	29.12	1,913,572	40-36½	5,798
1953	4 30	2.50	30.59	1,954,610	51-40¾	5,561
1954	4.22	2.50	31.28	2,575,998	51½-41	5,774
1955	4.62	2.50	33.42	2,685,760	63¾-49¾	5,760

Listed on New York Stock Exchange July, 1939.


NET SALES
(IN MILLIONS OF DOLLARS)
180
170
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952
1953
1954
1955

GENERAL SHOE RECORD FROM THE BEG

	Total Volume of Business	Net Sales Less Inter-Branch Business	Income Taxes	Net Earnings	Per Cent of Net Earnings to Net Sales
Founded Aug. 5 **1924**					
1925	$ 1,131,037	$ 1,131,037	$ 5,462	$ 54,451	4.81
1926	1,882,534	1,882,534	13,381	85,740	4.55
1927	2,540,842	2,540,842	19,568	125,273	4.93
1928	2,724,904	2,724,904	16,449	119,614	4.39
1929	4,107,370	4,107,370	32,828	239,607	5.83
1930	5,018,690	5,018,690	36,417	264,645	5.27
1931	5,662,890	5,662,890	36,845	250,856	4.43
1932	4,202,111	4,202,111	11,269	48,623	1.16
1933	5,537,456	5,537,456	29,803	163,273	2.95
1934	5,744,448	5,744,448	24,935	151,905	2.64
1935	6,744,990	6,517,911	90,188	464,880	7.13
1936	10,879,874	10,080,380	130,380	659,158	6.54
1937	15,479,403	14,039,436	242,000	758,252	5.40
1938	15,039,954	13,257,663	99,200	647,670	4.89
1939	18,252,215	16,581,537	215,500	927,194	5.59
1940	20,063,446	17,462,085	159,300	752,317	4.31
1941	28,703,862	23,729,198	509,700	1,064,151	4.48
1942	39,949,226	33,738,749	2,148,400	1,023,373	3.03
1943	48,990,794	40,886,381	2,936,700	1,229,136	3.01
1944	53,474,786	44,716,808	3,002,650	1,007,411	2.25
1945	61,122,583	51,177,677	3,174,200	1,110,749	2.17
1946	75,367,861	61,133,798	2,207,123	2,755,372	4.51
1947	97,248,511	78,142,458	1,937,792	2,566,500	3.28
1948	99,580,268	78,682,562	1,544,689	2,639,762	3.35
1949	96,066,589	77,694,162	1,521,000	2,416,379	3.11
1950	105,314,604	84,441,016	2,377,000	3,896,715	4.61
1951	128,284,627	103,238,890	2,954,000	3,570,939	3.46
1952	129,184,661	104,285,545	3,257,000	3,340,503	3.20
1953	137,337,975	111,179,210	4,485,000	3,565,829	3.21
1954	177,460,810	150,074,016	4,332,000	4,780,052	3.19
1955	201,300,993	167,863,881	4,776,000	5,262,135	3.13

INNING · · · 1924—1955

	Outstanding Shares Common Stock	Depreciation and Amortization	Earnings Reinvested in Business Development	Current Assets	Current Liabilities	Net Worth
1925	2,000	$ 26,896	$ 34,451	$ 274,936	$ 111,327	$ 191,443
1926	2,000	10,275	57,739	339,561	105,933	259,264
1927	2,000	17,016	85,272	585,700	264,549	355,244
1928	3,000	15,815	119,614	433,564	162,712	474,505
1929	4,000	31,712	227,606	625,879	131,042	764,562
1930	40,000	49,583	224,644	814,428	174,342	1,029,979
1931	58,975	72,608	210,855	977,067	208,630	1,310,701
1932	59,003	70,498	28,622	958,143	158,732	1,343,400
1933	59,061	76,008	123,273	1,238,088	322,586	1,472,910
1934	60,642	103,594	99,843	1,247,194	207,645	1,587,770
1935	72,201	94,572	377,756	1,963,890	304,015	2,207,437
1936	102,791	102,808	501,344	3,252,919	510,118	3,601,517
1937	467,384	149,273	207,340	4,040,728	566,670	4,523,945
1938	479,388	188,627	203,673	4,288,272	466,905	4,887,024
1939	*628,013	217,986	266,137	6,468,624	510,000	7,154,253
1940	627,716	267,263	84,337	6,592,176	450,691	7,243,137
1941	626,671	326,508	460,270	7,380,109	880,885	7,693,942
1942	627,173	561,695	356,614	10,281,900	876,851	8,054,660
1943	627,391	308,735	562,039	10,654,807	973,238	8,618,858
1944	627,391	348,333	340,315	10,570,155	1,073,386	8,939,322
1945	627,391	401,921	443,654	14,363,699	1,485,880	9,382,976
1946	704,321	547,675	1,560,922	17,723,628	1,309,947	18,692,768
1947	704,918	883,900	593,235	18,146,404	2,143,718	19,225,654
1948	705,132	1,146,767	669,562	24,580,470	1,847,178	19,749,974
1949	705,409	1,016,788	448,858	25,413,805	2,694,871	20,155,651
1950	733,790	1,253,112	1,918,216	29,501,823	4,268,950	23,233,487
1951	749,263	1,470,105	1,510,929	34,433,741	5,324,291	25,243,208
1952	766,530	1,630,415	1,234,308	34,909,457	5,607,942	27,140,887
1953	814,966	1,703,984	1,410,941	37,708,599	6,812,959	29,125,853
1954	1,074,232	2,715,266	1,920,345	51,310,281	8,009,772	41,049,121
1955	1,074,329	2,764,615	2,277,024	60,139,933	8,290,930	43,097,524

*Listed on New York Stock Exchange July, 1939

The New in Shoes — promotional theme of the American shoe industry — is being matched by the New in Shoe Stores. Modern architecture like this is reflected in many of the country's retail stores that sell our shoes.

J. FRANK JARMAN
President
Delman Shoe Co.
Women's shoes

TED SAVAL
President
Saval Shoe Co.
Women's shoes

EDWARD H. HAAN
President
Edward Haan Shoe Co.
Men's shoes

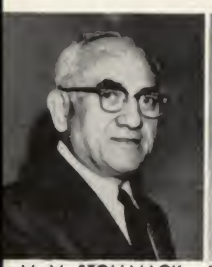
MYRON B. OLMSTEAD
President
Johnston & Murphy Shoe Co.
Men's shoes

SIDNEY L. LAZARUS
President
Lazarus Bros., Inc.

PAUL M. SEIGEL
President
Innes Shoe Co.

HERBERT L. SOMMER
President
Sommer & Kaufmann

HARRY A. BASS
President
Kleven Shoe Co. and Fleisher Shoe Co.
Women's shoes



M. M. STOLLMACK
General Manager
Mannequin Shoes, Inc.
Women's shoes

RALPH H. STOLLMACK
President
Carlisle Shoe Co.
Women's shoes

CHARLES J. MILLER
Vice President
I. Miller Shoe Co.
Women's shoes

MISS JERRY STUTZ
Vice President
Miret Stores Co.
Women's shoes and accessories

. . . . . Distribution of

Some Facts and Faces

Throughout the 31 years of General Shoe's history, the widest distribution of our men's, women's and children's shoes has been through independent retail dealers.

Our brand names are seen in their stores in just about every city and town in America.

We sell to these retailers through numerous separate sales divisions of our own. Our distribution plan is so decentralized that each sales division specializes on its own line of shoes, employing an entirely separate sales and service organization.

We also make shoes for America's leading chain stores and mail order houses. These shoes are made to their own specifications and are sold under brand names given them by the chain stores and mail order houses.

Some of the country's most attractive retail stores are those which we own and operate. Among these are Jarman, Flagg Bros., Hardy, W. L. Douglas, and Whitehouse & Hardy stores, selling men's shoes from medium prices up to $135.00 a pair.

I. Miller stores in New York and other Eastern metropolitan centers feature I. Miller women's shoes averaging about $25 at retail. Some of America's best-dressed and most famous women visit the Fifth Avenue, New York, salon where our Delman shoes are sold for a very selective clientele.

Berland, Holiday and Nisley are familiar women's shoe store names cross-country. These shoes are in the medium price range.

Bell Brothers is a chain of stores supplying all-family needs at medium prices. Family shoe needs are also met by a group of Friendly Franchise Stores which we do not own or operate, but which we assist with a plan of financing, merchandising and other helpful services. These franchise stores feature many of our brand-name shoes.

Our Standard Store Division, in the Southwest and Pacific Coast areas, includes some of America's newest and most spectacular retail shoe stores.

REX S. SLEIGHTER
President
Whitehouse & Hardy Stores Co.
Men's shoes and apparel

ROBERT C. BOLICK
Vice President
Frank Bros. Shoe Co.
Men's shoes and apparel

J. R. McCOLLUM
Vice President
Jarman Stores Co.
Men's shoes

F. M. WEISIGER
Vice President
Men's General Retail Co.
Men's shoes

WM. H. MACLAY
Division Manager
Flagg Bros.
Men's shoes

JOSEPH B. LONG
Division Manager
Hardy Stores
Men's shoes

General Shoe Products

General Shoe products also include cut soles, shoe boxes and cartons, tanned upper leather, waxes and chemicals, covered and finished heels, window displays and office fixtures, and rubber and canvas shoes.

Some of the people prominently identified with the distribution of these General Shoe products are introduced to Annual Report readers through the photographs on these two pages.

Selling . . . by Telling . . .
Through National Advertising

On two other pages there are striking examples of the national advertising that takes our best-known shoes into millions of homes.

I. Miller ads like the one on Page 16 of this report are seen in magazines like Harper's Bazaar, Vogue, Glamour and The New Yorker.

Mademoiselle shoes are featured in Mademoiselle, Charm, Glamour, Harper's Bazaar and Vogue.

Our Valentine shoes are advertised in Harper's Bazaar and Vogue.

Mannequins are advertised in Harper's Bazaar and Vogue.

Fortunets may be seen in both of these and in Glamour.

Our Friendly shoes are to be found in Seventeen, Glamour and Harper's Bazaar.

Good Housekeeping and the Ladies' Home Journal are used for our Acrobat national advertising.

Johnston & Murphy's striking ads are found in The New Yorker and in Sports Illustrated (see Page 17)

Jarman shoes are featured in some of the country's most colorful advertising, in The Post, Life, Esquire and Sports Illustrated.

Our Fortune line is found in Collier's, Sports Afield, Ebony and Esquire.

W. L. Douglas shoes are advertised in Argosy, Sport and in Boy's Life magazines.

General Shoe uses daily newspaper advertising throughout the country, as a part of our national program to back up the thousands of retailers who sell our various brands of shoes. Radio and television do an additional selling job.

ROBERT C. BLOXTON
Vice President
Friendly-Acrobat Shoe Co.
Teen-age and juvenile boys' and girls' shoes

EARLE T. BUMPOUS
Vice President
Jarman Shoe Co.
Men's shoes

CHARLES W. COOK
Vice President
Republic Shoe Co.

JOHN M. EZZELL
Vice President
Fortune Shoe Co.
Men's and boys' shoes

JOHN P. GIFFORD
Vice President
W. L. Douglas Shoe Co.
Men's and boys' shoes

ED. W. GRAHAM
Vice President
Cedar-Crest Shoe Co.
Men's and boys' shoes

J. THOMAS GRISCOM
Vice President
Valentine Shoe Co.
Women's shoes

CHARLES R. GUTHRIE
Vice President
Fortunet Shoe Co.
Women's shoes

C. Y. RICHARDSON
Vice President
Storybook Shoe Co.
Teen-age and juvenile boys' and girls' shoes

SIDNEY A. SMITH
Vice President
Family Shoe Supply Co.
Women's and juvenile shoes

H. D. VAUGHN
Exec. Vice President
Dominion Shoe Co.

TOM A. FUQUA
General Manager
Friendly Franchise Stores

CHARLES R. MAJORS
Vice President
Intercontinental Shoe Co.

H. S. KLAUSNER
Director Foreign Operations
Intercontinental Shoe Co.

FRANCIS W. PARKER
Export Manager
Intercontinental Shoe Co.

JOHN W. RUSSELL
General Manager
Fabrica Nacional De Calzado El Triunfo, Lima, Peru

IRA SALE
Division Manager
W. L. Douglas Stores
Men's shoes

I. M. KAY
President
Berland Shoe Co.
Women's and children's shoes

PARKS C. RUNYON
Vice President
Family General Retail Co.

SHERMAN E. ROSE
Vice President
Women's General Retail Co.
Women's shoes

CHAS. W. McGAVOCK
General Manager
Fabrica De Zapatos Eclipse, Mexico City, Mexico
Men's and boys' shoes

EUGENE E. WAGER
Associate Manager
General Supply Co.
Cut-soles, waxes and chemicals, shoe boxes, finished heels, tanned upper leather

ED C. JONES
General Manager
Genfoam Shoe Co.
Rubber and canvas shoes

Around the World Quest of *Fashion*

And Some Interesting Proofs of it, at Home and Abroad

CAROLYN SAKS, FASHION DIRECTOR OF OUR MADEMOISELLE SHOES, spent 6½ weeks going around the world in quest of new footwear design ideas. (1) In Kyoto, Japan, parasol overhead, she sets out for the zori market. (The zori is Japan's age-old flat or clog sandal, easy to slip on or off, and fashioned of straw, of fibre or wood). (2) Few moments later—in a shop examining fibres and vamps that are fastened to the soles. (3) Getting inspiration for American designs from the traditional sandal.

WEARING THE TRADITIONAL SARI, Miss Saks visits Benares, India, on the banks of the Ghanges, to see many rich embroidered silks and brocades.

A SIAMESE WEAVER does his individual pattern on a hand-loom, in Bangkok (Thailand). Many ideas from this round-the-world trip have been incorporated in Mademoiselle's resort and spring lines.

IN A NATIVE MARKET in Denpassar, Bali—the women wearing their sarongs of batik cotton prints.

From Paris Edition
Vogue Magazine, October, 1955

OUR SHOES WERE NEWS in the Paris couturier fashion showings in August 1955 when I. Miller's Paris designer, Andre Perugia, created all the shoes for the Hubert de Givenchy and the Jacques Fath collections.

FROM HIGH BUTTON TO HIGH FASHION. To show Valentine's new styling to our own people, photogenic Alice Smith of our Nashville office building strikes a pose for good old 1910 . . . and a sharper one for 1956.

A FLAG SALUTE TO FOREIGN VISITORS

An increasing number of shoe manufacturers from all over the world come to visit us in Nashville. Each representative finds the flag of his nation flying from our building. Here, Daniel Yanovich, licensee whose company makes our Jarman shoes in Medellin, Colombia, visits General Shoe with H. S. Klausner, our Director of Foreign Operations. Similar affiliates make and sell our branded shoes in Australia, Brazil, Canada, Denmark, France, Germany, Mexico, New Zealand, South Africa, Switzerland, United Kingdom, Uruguay and Venezuela.

WHEN THOUSANDS OF RETAIL SHOE DEALERS launched their nation-wide New-In-Shoes campaign, 15,000 General Shoe employees proudly joined in by wearing badges that said: "We MAKE the New in Shoes." Pretty Anne Moore, (extreme left) helped with production scheduling. Mac Shivers lasts Whitehouse & Hardy shoes. Ella Marlin stitches uppers for Jarman shoes. All three are from Nashville.

MANNEQUIN SHOES celebrate with a West Coast premiere, featuring Elena Verdugo, the star of CBS "Meet Millie" show in Los Angeles.

FALL FOOTWEAR FASHIONS attract hundreds as Sommer & Kaufmann, San Francisco's nationally-known shoe store, presents a glamorous style show.

FORTUNET'S ITALIAN INFLUENCE is shown by attractive Dot Johnson, one of General Shoe's many fine young ladies.

I. Miller, the ladies' man about town

Presenting...the starlit snakeskin with discreet toe, abandoned waist, glimmering collar of elastic braid. A marvelous evening affair.

From The New Yorker, September 24, 1955

At home anywhere in the world

The LANCIA*

by Johnston & Murphy

Almost overnight, LANCIA has become the classic shoe among continental styles for men...preferred for its lean top-down lines, international flavor and unbelievable ease...superbly made by Johnston & Murphy craftsmen in black, tan or burnished brown Galleon Calf and in black Sorrento Silk faille... about $30.

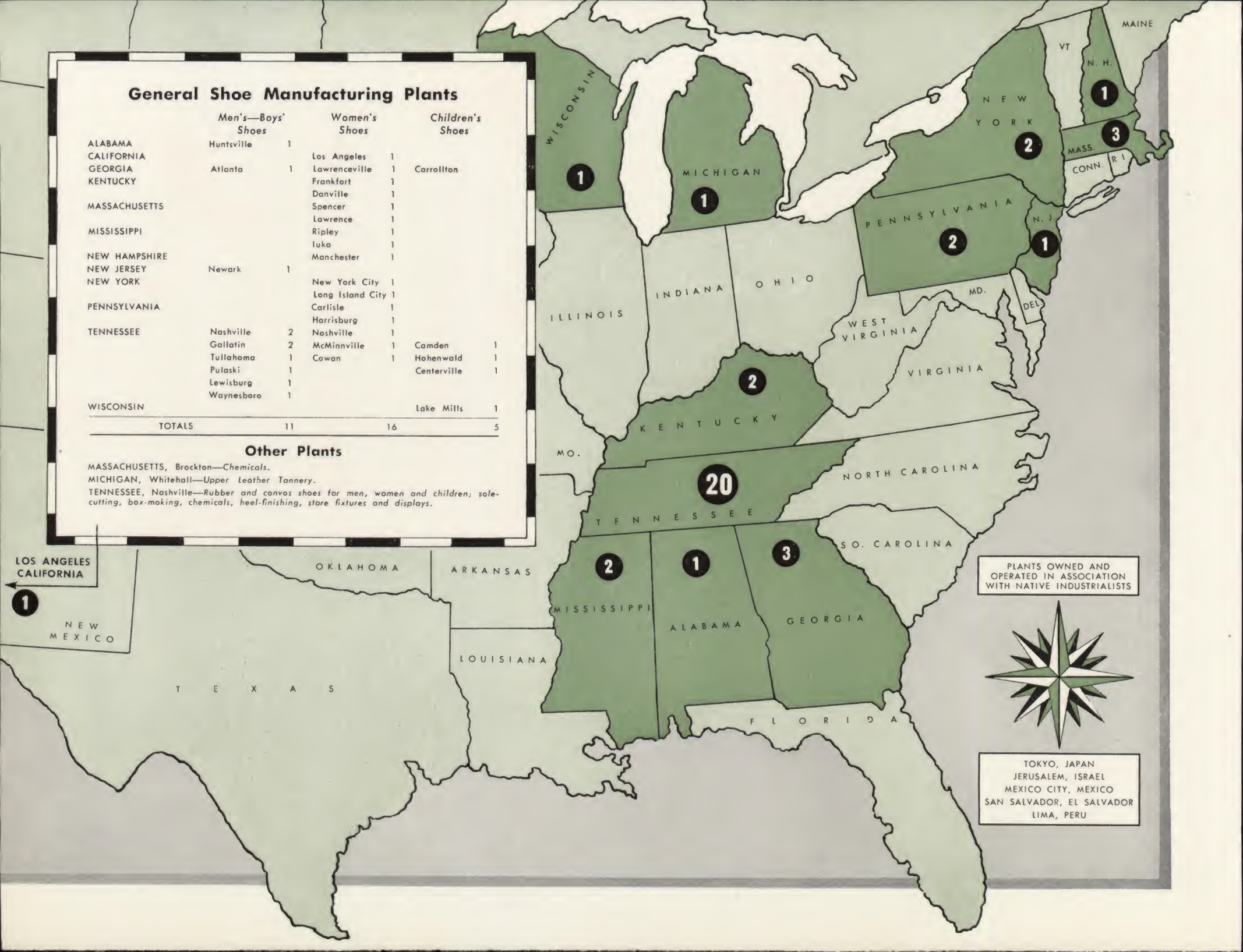
**One of the newsmaking originals in Johnston & Murphy's continental sports car series, now being featured at the fine stores below.*

FIRST IN QUALITY

for over 100 years

THE JOHNSTON & MURPHY TRADE MARK SHOE

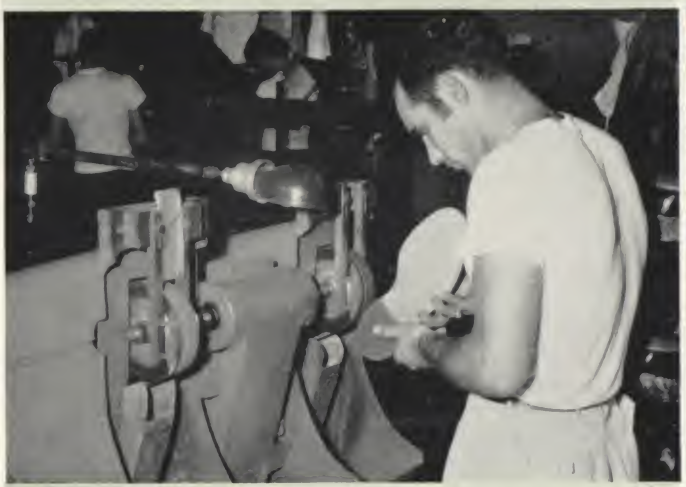
← *From Harper's Bazaar, September 1955*


General Shoe Manufacturing Plants
Men's—Boys' Shoes
Women's Shoes
Children's Shoes
ALABAMA Huntsville 1
CALIFORNIA Los Angeles 1
GEORGIA Atlanta 1 Lawrenceville 1 Carrollton
KENTUCKY Frankfort 1
Danville 1
MASSACHUSETTS Spencer 1
Lawrence 1
MISSISSIPPI Ripley 1
Iuka 1
NEW HAMPSHIRE Manchester 1
NEW JERSEY Newark 1
NEW YORK New York City 1
Long Island City 1
PENNSYLVANIA Carlisle 1
Harrisburg 1
TENNESSEE Nashville 2 Noshville 1
Gallatin 2 McMinnville 1 Camden 1
Tullahoma 1 Cowan 1 Hohenwald 1
Pulaski 1 Centerville 1
Lewisburg 1
Waynesboro 1
WISCONSIN Lake Mills 1
TOTALS 11 16 5
Other Plants
MASSACHUSETTS, Brockton—Chemicals.
MICHIGAN, Whitehall—Upper Leather Tannery.
TENNESSEE, Nashville—Rubber and canvas shoes for men, women and children; sole-cutting, box-making, chemicals, heel-finishing, store fixtures and displays.
LOS ANGELES CALIFORNIA
1
WISCONSIN
1
MICHIGAN
1
MAINE
VT
N. H.
1
NEW YORK
2
MASS.
3
CONN.
R. I.
PENNSYLVANIA
2
N. J.
1
ILLINOIS
INDIANA
OHIO
MD.
DEL.
WEST VIRGINIA
VIRGINIA
2
KENTUCKY
MO.
20
TENNESSEE
NORTH CAROLINA
SO. CAROLINA
2
MISSISSIPPI
1
ALABAMA
3
GEORGIA
OKLAHOMA
ARKANSAS
NEW MEXICO
LOUISIANA
TEXAS
FLORIDA
PLANTS OWNED AND OPERATED IN ASSOCIATION WITH NATIVE INDUSTRIALISTS
TOKYO, JAPAN
JERUSALEM, ISRAEL
MEXICO CITY, MEXICO
SAN SALVADOR, EL SALVADOR
LIMA, PERU

New and Better Ways of Doing Things in Plants and Offices . . .

ELECTRONIC MACHINES (like these) that solve complex accounting problems at a great saving of time and manpower are now being used by our company. These machines are the forerunners of others much more revolutionary, which we now have on order, for introducing into our accounting-auditing divisions.

TO AVOID BECOMING WHOLLY DEPENDENT on outside shoe machinery manufacturers, we are actively engaged in research for the development and improvement of machinery in our plants. This automatic machine, for example, developed by our Research Department, combines several operations while cutting, slashing and perforating 25 leather straps per minute.



WE ARE DEVELOPING and improving numerous processes for greater efficiency and lower costs in shoe manufacturing. This heel-scouring machinery is an example of our Research Department's efforts.

"THIS INVENTION WILL DO IT BETTER", this shoe laster explains to his superintendent after having perfected an improved method that earned him a sizable cash award. Scores of such awards were made to our people in 1955.

THE DEMAND FOR CEMENT FLAT shoes has been so strong that this new manufacturing plant in Iuka, Miss., was built only a few months ago.

OUR VALENTINE Shoe Company plans were sizably expanded when both manufacturing and sales forces and facilities were brought together in one large plant this year, in Nashville.

LAWRENCE, MASS. is the home of this women's shoe manufacturing plant opened during the year. It is known as Spicket Shoe Company.

GENERAL SHOE CORPORATION

Executive Organization—Operating Companies

BERLAND SHOE COMPANY
I. M. Kay, *President*
Samuel Intrater, *Vice President*

CARLISLE SHOE COMPANY
Ralph H. Stollmack, *President*

CEDAR-CREST SHOE COMPANY
Edward W. Graham, Jr., *Vice President*

CIRCLE SHOE MANUFACTURING COMPANY
Eli G. White, *General Manager*

DELMAN SHOE COMPANY
J. Frank Jarman, *President*

DOMINION SHOE COMPANY
Houghton D. Vaughn, *Executive Vice President*
William Lyle Hammond, *Vice President*
Howard D. Baldridge, *Asst. Vice President*

W. L. DOUGLAS SHOE COMPANY
John P. Gifford, *Vice President*

EDGEWOOD-STORYBOOK SHOE COMPANY
Carlton Y. Richardson, *Vice President*

EDWARD HAAN SHOE COMPANY
Edward H. Haan, *President*
Duke Rose, *Division Manager*

FABRICA NACIONAL DE CALZADO EL TRIUNFO
John W. Russell, *General Manager*

FABRICA DE ZAPATOS ECLIPSE
Charles W. McGavock, *General Manager*

FAMILY GENERAL RETAIL COMPANY
Parks C. Runyon, *Vice President*

FAMILY SHOE SUPPLY COMPANY
Sidney A. Smith, *Vice President*

FLEISHER SHOE COMPANY
Harry A. Bass, *President*

FORTUNE SHOE COMPANY
John M. Ezzell, *Vice President*

FORTUNET SHOE COMPANY
Charles R. Guthrie, *Vice President*

FRANK BROTHERS
Robert C. Bolick, Jr., *Vice President*

FRIENDLY-ACROBAT SHOE COMPANY
Robert C. Bloxton, *Vice President*

FRIENDLY FRANCHISE STORES
Tom A. Fuqua, *General Manager*

GENFOAM SHOE COMPANY
Ed C. Jones, *General Manager*

GENERAL RETAIL CORPORATION
William M. Blackie, *President*
J. Richard McCollum, *Exec. Vice President*
Felix M. Weisiger, *Vice President*
Earl L. Britain, *Vice President*
Gerald O. Petway, *Vice President*
Parks C. Runyon, *Vice President*
William A. Givan, *Secretary*
Willard W. Sledge, *Treasurer*
John A. Meadors, *Asst. Secretary*

GENERAL SHOE SALES CORPORATION
Matt S. Wigginton, *President*
Earle T. Bumpous, *Vice President*
Houghton D. Vaughn, *Vice President*
Jack R. Braden, *Vice President*
Ben H. Willingham, *Vice President*
Charles W. Cook, *Vice President*
Willard W. Sledge, *Secretary*
E. DeVaughn Woods, *Treasurer*
Charles R. Murphy, *Asst. Vice President*
James W. Byron, *Asst. Vice President*

GENERAL SUPPLY COMPANY
J. P. Saunders, *General Manager*
Eugene E. Wager, *Associate Manager*

I. MILLER SHOE COMPANY
Maxey Jarman, *President*
Charles J. Miller, *Vice President*
B. P. Weisiger, *Treasurer*

I. MILLER & SONS, INC.—DIRECTORS

Harry A. Bass
William M. Blackie
Henry W. Boyd, Jr.
Noble C. Caudill
Irving Grossman
J. Frank Jarman
W. Maxey Jarman
Charles J. Miller
Irving Miller
Maurice Miller
Michael Miller
Leon Mnuchin
M. M. Stollmack
B. P. Weisiger
Matt S. Wigginton

INNES SHOE COMPANY
Paul M. Seigel, *President*
Al S. Friedman, *Vice President*

INTERCONTINENTAL SHOE COMPANY
J. P. Saunders, *President*
Charles R. Majors, *Vice President & Secretary*
Francis W. Parker, *Export Manager*
H. Stephan Klausner, *Director Foreign Operations*

JARMAN SHOE COMPANY
Earle T. Bumpous, *Vice President*

JARMAN STORES COMPANY
J. R. McCollum, *Vice President*

JOHNSTON & MURPHY SHOE COMPANY
Myron B. Olmstead, *President*

KLEVEN SHOE COMPANY
Harry A. Bass, *President*

LAZARUS BROS., INC.
Sidney L. Lazarus, *President*

MANNEQUIN SHOE COMPANY
M. M. Stollmack, *General Manager*

MEN'S GENERAL RETAIL COMPANY
Felix M. Weisiger, *Vice President*
Joseph B. Long, *Division Manager*
William H. Maclay, *Division Manager*
Ira Sale, *Division Manager*

MIRET STORES COMPANY
Miss Jerry Stutz, *Vice President*

PYRAMID SHOE MANUFACTURING COMPANY
Bernard E. Reed, *General Manager*

REPUBLIC SHOE COMPANY
Charles W. Cook, *Vice President*
Thad D. Brunson, *Asst. Vice President*

SAVAL SHOE COMPANY
Ted Saval, *President*
Morris Wolock, *Vice President*
Sidney W. Schwartz, *Secretary-Treasurer*

SOMMER & KAUFMANN
Herbert L. Sommer, *President*

SOUTHERN SHOE MANUFACTURING COMPANY
H. Nelson Carmichael, *General Manager*

STANDARD STORES COMPANY
Ben H. Willingham, *General Manager*

TRIANGLE SHOE MANUFACTURING COMPANY
C. Wilbon Marlin, *General Manager*

VALENTINE SHOE COMPANY
J. Thomas Griscom, *Vice President*

WHITEHOUSE & HARDY STORES COMPANY
Rex S. Sleighter, *President*

WOMEN'S GENERAL RETAIL COMPANY
Sherman E. Rose, *Vice President*

GENERAL SHOE CORPORATION — DIRECTORS

William M. Blackie
Henry W. Boyd, Jr.
Jack R. Braden
Sam A. Buchanan
Earle T. Bumpous
H. Nelson Carmichael
Noble C. Caudill
Charles W. Cook
W. Maxey Jarman
J. Harlan Lawson
J. Richard McCollum
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
Billy P. Weisiger
Felix M. Weisiger
William H. Wemyss
Matt S. Wigginton
Otis C. Williams
Ben H. Willingham
E. DeVaughn Woods

GENERAL SHOE CORPORATION

W. Maxey Jarman, *Chairman*
Henry W. Boyd, Jr., *President*
William M. Blackie, *Executive Vice President*
James P. Saunders, *Vice President & Secretary*
Noble C. Caudill, *Vice President & Treasurer*
Matt S. Wigginton, *Vice President*
H. Nelson Carmichael, *Vice President*
Otis C. Williams, *Controller*
E. DeVaughn Woods, *Auditor*
Candler W. Butler, Jr., *Assistant Vice President*
T. Douglas Oxford, *Assistant Treasurer*
J. Frank Jarman, *Assistant Treasurer*
Carl E. Stephens, *Assistant Secretary*
James H. Cheek, *Assistant Secretary*
Sam A. Buchanan, *Director Industrial Relations*
Maxwell E. Benson, *Director Public Relations*

EXECUTIVE OFFICES
111 Seventh Avenue, North,
Nashville 3, Tennessee, U.S.A.

TRANSFER AGENTS:

Common stock: Guaranty Trust Company of New York, New York, and First American National Bank, Nashville, Tennessee.
All *Preference stock:* Guaranty Trust Company of New York, New York.

REGISTRARS:

Common stock: Chemical Corn Exchange Bank, New York, New York, and Nashville Trust Company, Nashville, Tenn.
All *Preference stock:* Chemical Corn Exchange Bank, New York, New York.
Annual Meeting of Stockholders: March 5, 1956.